

# **RESERVE BANK INFORMATION AND TRANSFER SYSTEM**

## **RITS Low Value Feeder Project**

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### **Low Value Settlement Service**

### **Questions and Answers**

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**Last updated: 31 May 2011**

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## 1. Introduction

The Reserve Bank released specifications for the RITS Low Value Settlement Service (LVSS) in November 2010. This initiative affects all institutions who currently participate in 9:00 am settlement.

A number of questions have been asked by Members during their analysis of the implications of the LVSS for their systems and processes. For the benefit of all Members, this document sets out those questions and the answers that have been provided.

This document groups the questions and answers into sections that broadly represent the same topic. These are:

- Business Arrangements / Clearing Rules
- Same Day Settlement
- FSI/FRI Processing
- Government Sweeps Processing
- RITS Arrangements
- Testing Arrangements
- Reconciliation
- Business Continuity Processes

A summary of the RITS functional changes for the LVSS is provided in Appendix 1.

**This document has been updated as at 31 May 2011 to incorporate the latest questions and answers; the new additions are in blue. Updates to the information provided in previous answers are also provided in blue.**

The Reserve Bank will continue to periodically update this document as necessary.

## 2. Business Arrangements/Clearing Rules

**Q1: Is there an LVSS business rule requiring mandatory participation in all BECS outward exchanges under LVSS? If not mandatory, could banks continue processing as per current arrangement?**

A1: There is no LVSS business rule that requires participation in all BECS outward exchanges. As such, there will not be any initial LVSS implications for banks processing as per their existing arrangement.

However, it should be kept in mind that the timing and frequency of exchanges may change in future years as clearing and settlement arrangements move to more modern standards. Design considerations may wish to take this into account.

**Q2: What are the rules governing the netting of clearing obligations (to calculate the net settlement value for the FSI at each settlement point)?**

A2: The settlement amount in the FSI will be populated according to the rules of each clearing system. As FSIs are for outward obligations only, any netting would be on the credit items and debits items contained in the relevant clearing. This has most applicability for BECS exchanges and our expectation is that the FSI settlement amount will be for the net amount of the file exchange with each counterparty.

**Q3: Could a mix of multilateral and individual settlement FSIs arrive at different time intervals?**

A3: The LVSS caters for any mixture, but we expect the industry to set guidelines on how the FSIs should be used for settlement. This is likely to be multilateral settlement for all settlement instructions except those relating to government direct entry (which must use individual settlement due to the required settlement time), with the capability to bilaterally agree to use the individual settlement option.

**Q4: When will the business rules for particular clearing systems or payment services be available?**

A4: The RBA and APCA are working with the industry on this. The aim is to have field usage standards and any other industry rules for creating and sending of FSIs agreed in early May 2011, the migration approach agreed in June 2011, and the APCA rule changes agreed by September 2011.

During May 2011, the various APCA Management Committees agreed to the proposed industry field usage rules. They also agreed to the migration of clearing systems in the order of BECS followed by APCS followed by CECS.

**Q5: Do banks that undertake back office processing on behalf of other banks (Tier 2) need to develop FSIs specifically for them?**

A5: Tier 1/Tier 2 settlements are out of scope. At present these settlements occur separately, often using RITS Cash Transfers (usually prior to 8.45am), and this does not need to change.

If the bank you act for is also Tier 1, then FSIs are required for that Tier 1. How these are produced (by them or you acting as their agent) will need to be agreed bilaterally.

**Q6: Should the sending of an FSI to the RBA be dependent on another bank having sent a clearing file and received notification of the counterparty's successful receipt/processing?**

A6: We expect FSIs to be sent to the RBA at the same time that clearing files are sent to your counterparty. While the EP&D file transmission cycle uses acknowledgement files, this concept of notification by the receiver to the sender to confirm that files have been received/processed does not exist in BECS.

**Q7: What is the process required when a FSI response is received from a counterparty but no clearing file is received?**

A7: As is the case now, each institution will need to discuss any reconciliation differences with their counterparty. Requirements on participants are expected to be set out in industry rules.

**Q8: What is the escalation process and who will act as the referee (take the collator role) if two banks or another party such as a Cashcard member cannot agree?**

A8: The collator process is detailed in the various APCA Procedures documents – these are publicly available on the APCA website.

In brief, the collator does match each net bilateral obligation (as advised by each bank) and notifies where the figures differ in a provisional advice. Revised figures can be lodged up until a cut-off time (which varies by clearing system). A final advice file is then provided. If the bilateral net figures were not the same the collator will apply the lesser of the two figures. However, if the payment direction (i.e. who was paying and who was receiving) differs, the collator will create a zero figure. Banks then sort out any differences between themselves the next day. In other words, the Collator does not really referee in the present process; it just applies the agreed rules.

Under LVSS, there is no 'matching', each party sends an FSI for its outward clearings. It will still be up to the two parties to resolve any differences. As would be the case now, the dispute resolution procedures of the relevant clearing system would be used if the parties cannot agree.

**Q9: When handling failure on file events, will 'undo' apply only to settlement or to clearance transactions as well? If the latter, which ones?**

A9: As is the case now, there are a number of circumstances that could lead to mismatches between clearing and settlement. The process for resolving these differences are set out in industry rules. We would expect each institution to have robust reconciliation procedures in place. As well as LVSS responses and advices, RITS will provide a new set of member enquiry functions to assist in the reconciliation of settlement instructions against clearings.

**Q10: What is the expectation of a counterparty in relation to a clearing file when it receives an FSR Recall?**

A10: The counterparty should expect the obligations in a clearing file to be settled as per APCA Clearing System Regulations and Procedures. If an FSI has been recalled because it contained an error, then the sending party (Originator) would likely send a new FSI for this clearing file in due course. In practice, we would also expect both parties to communicate with each other if a recall took place.

**Q11: Does the counterparty need to halt processing of the clearing file in these circumstances?**

A11: This will depend on the policy of the counterparty. If it normally processes and posts to customer accounts before settlement has occurred (as now), then this processing is likely to proceed as normal. As LVSS settlement will continue to be at 9am the next business day, we would expect that settlement differences would continue to be bilaterally resolved, as occurs now.

**Q12: If the counterparty needs to halt processing of clearing files, what is the process if those clearing files have been processed to customer accounts?**

A12: If there is an issue with applying funds to customer accounts or with the settlement amount not matching the clearing amount, then you should follow the relevant Clearing System Procedures, which would normally require the reversal or correction of the items.

**Q13: LVSS Schema has adopted Swift T-Copy. Is there a potential to move to Y-Copy?**

A13: There is potential for this but a Y-copy solution requires additional SWIFT members. Y-Copy functionality is not included in the initial LVSS functionality release. The RBA is prepared to include Y-Copy in the future if there is demand for it.

**Q14: What reporting does the RBA expect banks to perform or provide? How will this reporting be provided?**

A14: There are no additional reporting requirements expected.

**Q15: Will limits for Tier 1B obligations disappear in the case of LVSS as the Tier 1B bank now has the ability to review and control the settlement of their obligations via RITS?**

A15: In relation to existing Tier 1A/1B arrangements, we confirm that the use of a maximum debit limit, employed by the Collator, will no longer apply as Tier 1B institutions have the ability to manage their exposures in RITS under the LVSS.

**Q16: Could the RBA clarify how references in Sections 5.2.3 & 5.2.4 (see below) of the Member Information document applies to Tier 1A/1B arrangements? And does this mean that all LVSS transactions, including Tier 1A/1B, will be set to priority (the full ESA balance tested again) and cannot be deferred?****5.2.3 Status and LVSS Settlement Method Overrides**

Through the use of status and override functionality, Members will be able to retain control over the timing of any debits to their ESAs, except for the 9am settlement. As now, there will be strict controls surrounding the timing of the 9am settlement and RITS will test the obligations due for settlement against the full ESA balance.

**5.2.4 Cash Account Limits and Testing**

Each LVSS transaction will be posted to a Cash Account of the Payer and a Cash Account of the Payee. The Payer will be able to control settlement at the Cash Account level through the use of Cash Account Limit, Cash Account Sub-Limit and Cash Account Status. Members that do not wish to use cash account limits for transaction management should ensure that Cash Accounts limits processing is turned off for their LVSS Cash Accounts. As noted above, special arrangements will continue to apply in respect to the 9am settlement.

A16: Yes, all eligible LVSS transactions, including Tier 1A/1B obligations, will be tested against the full ESA balance as part of the 9am settlement process.

The example below illustrates how this will operate in practice. In this example, A owes B the ES funds. [Please note the steps outlined below which do not have specific references to Tier 1B are the same for FSIs covering all clearing systems or payment services.]

“Through the use of status and override functionality, Members will be able to retain control over the timing of any debits to their ESAs, except for the 9am settlement.” – see points 6 to 10.

“As now, there will be strict controls surrounding the timing of the 9am settlement and RITS will test the obligations due for settlement against the full ESA balance.” - see point 11.

1. B will determine the Tier 1A/1B settlement amount due.
2. The FSI will have B as Originator and Payee and A as Counterparty and Payer.
3. B will assign a Settlement Method of M.
4. The FSI will have Payment Date of (say) Wednesday and Settlement Date of Thursday.
5. On receipt in RITS, each party may receive advices if they have selected them.
6. The statuses of Active, Deferred and Priority that may be in the FSI will be ignored in RITS as B is not the Payer – these statuses are for the Payer.
7. RBA will require that no Cash Account limit is set in RITS (i.e. cash account limits testing is turned off) for both B and A on the RITS branches to be used.
8. RITS will automatically ensure the ESA status is Deferred and use the default cash account and a credit status of Active.
9. A has the option to set an override status (especially for the ES status) to Active or Priority if it wishes to.
10. A will have the opportunity to manage the transaction in RITS in the Morning Settlement Session prior to the multilateral batch being locked and formed. In practice, to make the transaction eligible, they need to change the ES status to either Active or Priority to make sure it is included in the 9am settlement. They will be required to do this unless there is some sort of dispute about the figure – remember it is really the same figure that is settled now – it’s just lodged via a different process. [Note: The opportunity to manage the transaction (and potentially stop it from settling) does not exist under the current Tier1A/1B arrangement – currently A must settle what B advises, regardless of its accuracy, up to the agreed net debit limit. Under LVSS, a limit is not required as A now has the opportunity to manage/control the settlement of this obligation.]
11. When 9am settlement testing commences, the RBA has taken the decision to treat all transactions with statuses of Active or Priority (i.e. Cash Account, Credit and ES statuses) as if they were all Priority statuses. This is in line with how the 9am settlement currently works. This ‘forced’ use of Priority by RITS means that the full credit ES balance is used to achieve interbank settlement. Note that any transactions with a deferred status at the lock time will not be included in the 9am settlement; we have therefore been emphasising the importance of managing these transactions in RITS in the morning during our recent meetings with all participants.

In respect to Section 5.2.4, we have clarified (since November 2010) how cash account processing will occur in RITS for these transactions – we will require limits testing to be turned off and default/override statuses to be either active or priority. This will help with settlement processing.

**Q17: Can a bank using FileAct for their clearing exchanges use RBA as the intermediary for clearing if the counterparty is also using FileAct?**

A17: The short answer is yes, banks can send all files directly to the RITS LVCS and we can route them for you.

However, because this involves two separate SWIFT transmissions, the message fees borne by the two participants will effectively double. In other words, as well as the sender paying for sending via FileAct to the RBA, the RBA will reverse bill the counterparty for sending to them using FileAct. If files are sent directly, these additional charges will not accrue.

(NOTE: Banks on COIN can also send all files to the LVCS for routing but without incurring additional messaging costs.)

**Q18: Will the RBA provide any identifiers in the clearing file SWIFT FileAct request type pacs.xxx.cfe header to identify the transaction as an LVSS exchange?**

A18: We are not proposing to provide any additional information in the header record for clearing files delivered via SWIFT FileAct to banks using the pacs.xxx.cfe request type.

The Low Value Clearing Service (LVCS) which facilitates low value clearing file exchanges with COIN participants is completely separate to the Low Value Settlement Service (LVSS). The LVCS will not be aware which clearing files relate to clearing systems that have migrated their settlement advices to the LVSS and which remain using the existing collator advices.

**Q19: Will summary files sent with each transaction file for Normal BECS still be generated or will they be replaced with FSIs?**

A19: The BECS DE summary file is a clearing file and will continue to be exchanged with counterparties in the future. Any decision about the BECS summary file (which is sent to counterparties for both Normal BECS and Government BECS exchanges) is for the APCA BECS Management Committee. The additional LVSS messages do not change the need for the summary file which we expect will continue to be sent/received.

**Q20: There is a note in the Member Documentation that states "The Reserve Bank has no objection to the inclusion of FSIs relating to the settlement of BECS 10.30pm exchange in the 9am batch settlement". Will the values for the 10.30pm exchange be settled, not the following morning, but the day after, or will the 10.30pm now be expected to settle the following business morning (at 9am)?**

A20: No decision has been made on this as yet – this will be up to the APCA BECS Management Committee (MC2) to decide on such a change. Just to further clarify, the current 10.30pm exchange has a 'payment' or customer processing date of tomorrow with settlement the day after that. The RBA would not object to bringing the settlement date forward by one day (still at 9am).



**Q21: Banks may receive null or empty files and there is benefit in receiving these from a monitoring perspective to confirm that all inward files have been processed for the day. The member documentation states that an FSI is not required for null or empty files. Are there any changes to requirements for this?**

A21: There are no changes to our requirements. We do not expect to receive \$0 FSIs. However, RITS will process these like other FSIs if they are received.

**Q22: Due to the separation of file creation and file delivery processes, could the Originator of an FSI use its own internal file name in the Clearing File Reference field?**

A22: The Clearing File Reference field in the FSI is intended primarily for the receiver of the file to assist with reconciliation against the clearing file. As such, we anticipate that the industry will agree to populate this field with the receiver's file name.

At present there is no proposal for common industry usage of the Clearing Details field (although there may be in future). Banks may opt to use this field to assist with your internal processes.

**Q23: Will the RBA mandate what an agent's role will be where they process on behalf of members?**

A23: The LVSS caters for agents to lodge figures on behalf of the parties they represent. One of the purposes of our status update meetings is to ensure that agents and those who have appointed them have clarity as to who is doing the necessary work. Decisions as to who performs these tasks need to be bilaterally agreed. The RBA will not mandate in this area.

The necessary forms for agency arrangements are in Exhibit D of the RITS Regulations. These will need to be completed in due course.

**Q24: When will requirements for Cashcard Exchange be provided in greater detail to help clarify what is involved in this exchange?**

A24: Cashcard will continue to lodge settlement obligations on behalf of their Members. These are likely to be bilateral FSIs between all Members of the Cashcard Closed User Group. The lodged transactions will then be able to be managed in RITS (as necessary) by Cashcard member institutions.

**Q25: What do the settlement amounts refer to for CS1 Final Exchange Figures from the RBA for:**

- **Paper-QLD (or any State-based region)**
- **Paper-Electronic; and**
- **Paper T1A/T1B?**

**What does each exchange relate to?**

A25: **Paper – QLD (or any State-based region)** is for manual state-based 'for-value' exchanges only; these are physical exchanges and are not electronic. Figures are generally fairly small. Cheques are usually only included in this exchange where they cannot be easily exchanged electronically (as they are torn, hard to read, etc).

**Paper - Electronic** is the national based electronic exchange stream – it includes all cheques that are electronically exchanged between Tier 1A members of APCS regardless of where they were presented in Australia.

**Paper - T1A/T1B** is the bilateral settlement between a Tier 1A member and the Tier 1B member that it acts for in APCS.

**Q26: Will the RBA or APCA confirm the best practice timings or procedures for where agreement on CS3 settlement values cannot be reached with other counterparties prior to the multilateral cut-off time?**

A26: This is essentially an industry issue. Part 10 of the CECS (or CS3) Manual covers the existing industry arrangements for these circumstances. In brief, Part 10 covers:

1. Bilaterally agreeing cut-off times (settlement obligations accrue between the last cut-off time and the next).
2. Producing interchange settlement reports.
3. Using the Acquirer's figures if settlement differences exist.
4. Investigating any differences the next day.
5. Advising the Collator of settlement obligations (to be replaced by the Acquirer sending FSIs instead).
6. Scope for the acquirer/issuer to verbally agree the settlement figure before it is lodged.
7. Scope for carry-over if settlement figures are unable to be lodged.
8. Requiring the provision of Transaction Details to help resolve settlement differences.

On first pass, there does not appear to be any need to make drastic changes to these arrangements (apart from the change to FSIs and the removal of Collator references).

To elaborate further, the following new arrangements will take place under the LVSS:

- an acquirer will create and send FSIs to each issuer (or their settlement agent) for the obligations that have accrued since the last cut-off. These will be for the net 'debits out/credits out' (if any) figures for each counterparty. These advices will ask the counterparty to pay the acquirer (or their settlement agent). It will be up to the counterparty (issuer) to pay the funds due to the acquirer in the 9am settlement (as is essentially the case now).
- an issuer will need to verify, authorise and then settle the obligations advised by CECS counterparties via FSI. These will be debits to the issuer's ESA. Unless the figure advised is wildly wrong, we'd expect the current industry rule of accepting the acquirer figure to continue to be used. Any differences, once investigated, can be settled according to current industry practice (e.g. RITS Cash Transfer later in the day for large differences).

Your internal arrangements will need to fit in with industry agreed practice. APCA is about to commence the process of reviewing industry rules for all clearing systems.

**Q27: What are the BPAY settlement requirements and how do they relate to CS2?**

A27: Our understanding is that the BPAY settlement figure is one direct credit (and/or direct debit) sent to banks in a non-official DE exchange. The Originator of this exchange (i.e. BPAY's settlement bank) is expected to lodge the FSI in RITS for this obligation. If the amount is a debit to your ESA, your RITS users will (or may) need to manage this transaction the following morning to ensure the obligation is settled at 9am.

**Q28: Could you please clarify our understanding of the steps and processes in the following scenario?**

<b>Scenario</b>	<b>Clarification</b>
A thinks B owes \$2M for a CS2 exchange during the day. A sends an FSI to B for the amount.	In your DE example, there would be more direct debits than credits (in value) in the clearing file A separately sent to B, thus creating an obligation for B to pay A. This FSI is sent to RITS by A with B as the counterparty (A as payee, B as payer).
This will come through RITS and will be marked as Deferred status so that B has control over its ESA account debits.	Note this is the default status applied by RITS. B (or any other bank) may choose to override this status with the RITS branch settings.
B will then receive the FSA which will notify that money is owed. They should set the FSI to priority in the RITS queue for 9am settlement some time before the session opens.	Note that B has the option to receive (or not receive) the FSA. As part of this process, B is likely to confirm the value of transactions in the clearing file equals the \$2M being claimed.
What happens if B do not do the last step, and the 9am settlement time arrives?	If the transaction is valid, but remains in a deferred status at the 'lock time' for the multilateral run (say 8am or thereabouts), then it will be excluded from the 9am settlement. Note that we expect industry rules to require settlement by 9am (as they do now). If B inadvertently left the status as deferred by the lock time, they have the ability to amend the settlement method to I for individual (from M) and for the transaction to then settle immediately (i.e. prior to 9am). A Settled response would then be sent (if selected). Note that any clearing interest due to A would have to be separately claimed in this circumstance.
What message will be returned to A? Is it an FSRU3? When will it be sent? What will happen to the FSI in the queue?	This deferred transaction will remain on the RITS queue. If no action is taken by B for the entire day (or A does not recall the transaction), A will receive the FSRU3 (Unsettled at end of day) response (if they have selected to receive this). This response is sent when the FSI is removed from the Queue. The timing of this response will depend on whether the transaction is evening eligible (both parties must be evening agreed for this). The response will be sent either at the close of the Settlement Close Session or at the close of the Evening Settlement Session.

**Q29: Who sets the rules about what an acceptable time is for us to wait for a returned FSA? Are you setting an upper limit? Where will this be discussed?**

A29: RITS will send an advice to both the Originator and Counterparty (if selected) once the FSI has been validated. This occurs immediately on receipt. For FSIs you have sent you may wish to have a trigger (alert) built if you haven't got an FSA from us within a certain time – say 30 minutes. You won't be able to do this where you are the counterparty. Please note there will be a small window each evening when RITS will be undertaking overnight processing. In this period there will be no immediate validation of incoming LVSS messages, hence the suggestion is to allow up to 30 minutes for the alert trigger.

**Q30: How will the settlement of Mastercard and Visa scheme obligations work under the LVSS?**

A30: We expect the lead settlement banks to create a separate FSI (or add it to their ATM/EFTPOS FSI) against each other ESA settling scheme member and send it to RITS. We believe counterparty banks will not have to do any development work in creating FSIs for the settlement of these obligations.

**Q31: How will the settlement of BPAY scheme obligations work under the LVSS?**

A31: BPAY settlement obligations are presently passed to participants as a direct credit or debit in a 'non-official' BECS exchange by BPAY's settlement bank. We expect a separate FSI to be sent at the same time as the exchange occurs now.

**Q32: What will be the 'reversal process' should there be an issue identified with an FSI after the lock and intra-day settlement?**

A32: If an FSI is locked for settlement in a multilateral run and the run settles, any reversal would need to be arranged bilaterally with your counterparty. Note, for the transaction to have been included in the first place, the paying bank must have made it eligible for settlement. Also note that intra-day settlement is not part of the initial LVSS implementation, although the same approach as described above would apply.

**Q33: Who is responsible for doing the data entry on RITS for Tier 1A/1B banks if a bank either settles on behalf of or acts as a courier?**

A33: Our expectation would be that the Originator (which is the Tier 1A) would continue to be responsible for lodgement of the settlement instruction, including data entry if required.

### 3. Same Day Settlement

**Q1: Do you have a list of the forums that banks will be involved in the decision making as we move to same day settlement and a list of key decisions they will have to make at a high level?**

A1: At this stage the only formally established group that is examining the industry options for same day settlement is the 'Expert Group' put together under the APCA Settlement Evolution Project. This group is planning to develop an industry policy on same day settlement.

**Q2: Does the LVSS model take into consideration both migration to the LVSS under next day settlement and same day settlement?**

A2: Initially, the migration to the use of FSIs will take place under the existing next day settlement arrangements. The business model to be adopted for same day settlement has yet to be agreed across the industry. We have designed the LVSS to be as flexible as possible to cater for possible same day settlement in the future. If a clearing system was to move to same day settlement, our expectation is that the only field that would need to change in the FSI is the Settlement Date (from tomorrow to today). You may want to factor this into your design.

**Q3: If it is envisaged that session times are going to change, will banks need to cater for this within their designs now?**

A3: There are no planned changes to RITS session times as a result of the initial introduction of the LVSS. It is possible that there are changes to session times requested by Members as part of the agreed business model for same day settlement. Please note that any change to a session time will only affect the eligibility of the transaction to settle in that session. It will not affect the bank's ability to send FSIs or FRIs to RITS, including outside of RITS normal business hours.

## 4. FSI/FRI Processing

**Q1: What time will the FSI responses be sent to banks and will the FSI settled response be sent all at once (i.e. 9am)?**

A1: An Accepted response will be sent as soon as an FSI is received and successfully validated. The Rejected response will be sent as soon as an FSI fails validation (i.e. immediately after the RBA receives the FSI). The Settled responses for FSIs included in the 9am multilateral settlement will all be sent once the settlement has occurred (usually between 8.45am and 9am). A Recall response will be sent immediately after a transaction is recalled (i.e. within a couple of minutes). The Unsettled EOD response will be sent at the end of the RITS Settlement day when the transaction is removed from the Queue.

**Q2: How will an FSI appear in the RITS queue if it is recalled?**

A2: The RITS queue only shows transactions that remain on the Queue; a recalled transaction has been removed from the Queue. Recalled FSIs will be able to be viewed in the standard RITS Transaction Enquiry screen as well as a new LVSS Transaction Enquiry screen. A filter on the status of 'Recalled' will be available in these enquiry functions.

**Q3: Will a failed or rejected FSI show in the RITS queue?**

A3: No, the RITS Queue only shows transactions that are eligible for settlement testing. FSIs that fail validation and are rejected never reach the Queue.

**Q4: Will the capability to recall an FSI be a menu function in RITS or does each bank need to develop this function?**

A4: We are considering whether to provide this type of manual entry facility to Members in a future release. This would be primarily to cater for unforeseen circumstances such as a contingency event. At this stage we would recommend that you make this as a lower priority item in your project planning.

**Q5: Will the RBA confirm not duplicating settlement of clearance files? Is that the responsibility of the instructing party?**

A5: As is the case now for all RITS transactions, those with a duplicate TRN will be rejected. RITS is unable to distinguish a settlement instruction with a different TRN for the same clearing file.

**Q6: Can we prioritise transactions and therefore settlement?**

A6: Yes, a paying institution has this capability using the LVSS Settlement Method and the various settlement statuses available.

It is recommended that all FSIs targeted for multilateral settlement use priority statuses.

**Q7: Are the LVSS message validation rules industry or internally defined?**

A7: The RBA's technical and business validation rules are contained in the LVSS Technical Specifications and Message Schema. We would recommend these be used to define your internal validations.

**Q8: Does the RBA expect banks to keep a record of LVSS messages? If so, for how long? And what data?**

A8: There is no specific RBA requirement for the retention of these messages. As FSIs are settlement instructions we would expect that normal archiving arrangements for financial transactions will apply. As with SWIFT payments, an LVSS message enquiry will allow you to view details of LVSS messages for the past five days via the RITS user interface.

**Q9: Does the RBA have any security requirements (viewing, storage or transmission security) around the settlement data?**

A9: The current security arrangements in place for RITS transactions will apply. There are no additional security requirements.

**Q10: Section 3.1 of the Member Document states that Members will receive only one response for each FSI or FRI. If banks get an Unsettled Response at the EOD, is the FSI re-queued and will there be another response when the transaction settles?**

A10: An unsettled FSI will be completely removed from the RITS queue at end of day. It will not be re-queued. The Originator would need to send another FSI with a different TRN and new settlement date if settlement was still required.

**Q11: Does the proposed RITS FSI manual entry screen allow the same mandatory details to be captured that would have been in an XML message?**

A11: Our intention is that it will be the same set of information. We recommend you cater for the need to manually print full FSI details from your source system to enable manual data entry in RITS in case backup entry is required.

**Q12: Can the RBA accept HTTP traffic over the COIN network?**

A12: Our systems are not currently designed for this. We have adopted the industry agreed protocol for file exchanges (i.e. Connect:Direct) for the delivery of files containing an FSI or FRI.

**Q13: Can banks send multiple FSI and FRI messages in one session?**

A13: Each file should contain only one FSI or FRI; these can be sent consecutively.

**Q14: Could an FSI or FRI be loaded directly to RITS? Is the only way to load an FSI in RITS via the COIN?**

A14: FSIs can only be loaded into RITS via the COIN or SWIFT FileAct networks. We believe we and most COIN members have sufficient redundancy in case there are any network related problems. For your information there are no upload facility capabilities in RITS.

Please note that, for contingency purposes, we plan to develop a manual FSI/FRI entry facility in RITS and this will be made available prior to live LVSS implementation.

**Q15: Are there any diagrams (apart from the documents available on the RITS information facility) that conceptually describe how the FSI messages get routed and loaded to RITS, especially in regards to the role of an agent?**

A15: Refer to Section 3 of the [Payments Network Connectivity Partner Migration](#) which provides details on the RBA's COIN connectivity. In simple terms, the files containing instructions to us are sent over the COIN to an RBA advised IP host address using the Connect:Direct file transfer protocol. On receipt, the file is routed to RITS. RITS will keep a gateway table which tells us who can lodge for who by Payment Service.

**Q16: Can third parties (e.g. FISERV for CS1 Paper) send FSI's to RBA on our behalf or should it always be sourced from the Tier 1 Bank?**

A16: Yes, our arrangements allow Tier 1 banks to appoint agents to lodge FSIs and receive responses and advices as necessary. Exhibit D of the RITS Regulations covers this type of arrangement.

[http://www.rba.gov.au/rits/info/pdf/RITS\\_Regulations.pdf](http://www.rba.gov.au/rits/info/pdf/RITS_Regulations.pdf)

You should note that any agent, such as FISERV, would need to send and receive files via the COIN (or SWIFT FileAct) and thus may need to become a member of that network.

**Q17: How long will a FSI be locked prior to a multilateral settlement?**

A17: This is something we have been discussing with the industry. No firm time has been set yet, but our best estimate is somewhere between 30 and 45 minutes. As RITS closes for the 9am settlement at 8.45am, this means a lock time of either 8am or 8.15am.



## 5. Government Sweeps Processing

**Q1: For government sweeps, should banks continue sending the current file formats for detail and high-value transactions or is an additional FSI required?**

A1: The current government sweep files will still be required with the exception of File 4 'Funds transfer to other institutions for direct entry payments'.

For the sweep to the RBA, one FSI per day will need to be created and sent (with the RBA shown as counterparty). This FSI will represent the overall value contained in the existing 'File 1' (i.e. the settlement amount will be for the amount presently settled in RITS as part of the 9am Settlement under the 'Government Sweep' heading). Note that banks may need to sum up the credit and debit balances for each account type in File 1 to arrive at the FSI settlement amount. The existing File 1 is still required to process entries to the Australian Government's core set of accounts.

The existing File 4 is used to create pending debits in RITS for authorisation by the paying bank in the RITS Morning Settlement Session. This will no longer be required as these FSIs for the Payment Service BECG will be used instead.

**Q2: Is an FSI required for each government sweep account type?**

A2: A single FSI will be sent for the total value of funds to be swept to the RBA. A separate FSI by account type is not required.

**Q3: What is the format of a government sweep XML file?**

A3: The format of a government sweep FSI is the same as for all FSIs; though some optional fields will not be required. The RBA will provide field usage standards for government sweep FSIs in April 2011.

[Draft message usage standards were distributed in March and April 2011. The RBA has now published agreed field usage standards on the RITS information Facility.](#)

**Q4: Will the RBA send a response when it receives a Summary File for Sweeps?**

A4: A response will be sent for a Government Sweep FSI if selected by the Originator.

**Q5: Is there a preferred method for BCP if fax is not preferred?**

A5: The BCP arrangements for fax do not change for File 1 info as this information is required to process entries to the core set of government accounts.

**Q6: Is there a risk of applying the value twice if an FSI is sent in addition to the existing files?**

A6: The RBA will ensure that the existing 9am settlement government sweep entry will not occur once government sweep FSIs commences.

## 6. RITS Arrangements

**Q1: When you say we need to provide details of LVSS participation - what does that mean?**

A1: We are likely to provide a questionnaire to assist in this process. We will need to formally confirm details such as which clearing systems you participate in, the RITS branches and cash accounts you require, the details of how your responses and advices are to be routed (particularly for participants that use an agent), etc.

**Q2: What is the purpose of the new RITS Branch? Why do we need a new one?**

A2: New RITS branches may be used to separately identify LVSS transactions from existing RITS transactions – this should make the monitoring of LVSS transactions and the completion of settlement easier. The extent to which this is done is up to each participant; it can be done at the payment service level if required.

A branch links to a cash account in RITS where a real bank account number is recorded. This facilitates transactions being posted to this nominated internal bank account in an automated fashion. We anticipate that the internal bank accounts you currently use in RITS to be different from the ones you currently use for low value clearings.

**Q3: Will the RBA provide information about setting up new RITS branches and cash accounts?**

A3: Yes, more detailed information about setting up new branches/cash accounts and roles will be provided to Members in due course.

**Q4: How do we get particular transactions to go to particular branches that have been set up for new FSIs?**

A4: RITS will have a configuration table – which we call the LVSS gateway table. In it, each Member will list which branches it wishes to use for each Payment Service and for its (net) debit items FSIs and (net) credit items FSIs.

When your FSI comes in, it will specify the Payment Service and say whether you are the payer or the payee. RITS will use that information to look up the gateway table and determine the branch (and linked cash account) that you have selected to have the transaction to settle against.

We allow you to specify different branches for (net) debit items FSIs and for (net) credit items FSIs so that you can differentially manage (via override statuses) transactions that require you to pay that you initiated versus transactions that require you to pay that the other bank initiated. Note that credit items require the originator to pay the counterparty; debit items require the counterparty to pay the originator.

Members can use override statuses and an override LVSS Settlement Method to manage LVSS transactions, and these are set at the cash account level. Separation of different transactions into different branches and cash accounts therefore allows more flexibility in setting these overrides. Each branch will need a unique cash account if you want to be able to set the overrides differently on your credit items branch and debit items branch.

Another reason to provide the ability to separate transactions, particularly by Payment Service, is for banks that post to internal accounts or ledgers from AIF messages or from the RITS end of day Cashlist report. Both of these data sources identify the cash account to which a transaction was posted.

**Q5: When will the RITS User Guide be available?**

A5: The RBA aims to have this available in mid 2011. This should not delay your internal development of LVSS messaging capability as all relevant information is contained in the LVSS specifications.

**Q6: What are the functional changes in RITS that impact members?**

A6: A summary of the Member-facing RITS changes is provided below. Please note these are RITS functional screens which do not directly interface with your bank's systems.

- Changes to process LVSS messages (receive, validate and record incoming messages, action recalls and send LVSS advices and responses) during both normal hours and the current overnight period.
- Changes to allow members to have access to RITS overnight to use certain enquiry functions (on LVSS transactions).
- Changes to introduce LVSS individual and multilateral settlement functionality.
- Changes to combine the settlement of 9am Batch obligations with an LVSS multilateral group, with a single set of settlement tests.
- Changes to calculate clearing interest on eligible LVSS transactions and to include these as part of the combined 9am settlement.
- Changes to existing member enquiry screens to show combined 9am Batch and LVSS obligations.
- Changes to existing functions to cater for LVSS transactions (queued payments management, settled payment and transaction enquiries, etc).
- A new member LVSS Clearing Interest Transaction enquiry.
- A new member LVSS Transaction Enquiry.
- A new member LVSS File Enquiry.
- A new member LVSS Bilateral Summary Enquiry.

Further information on the changes to the RITS Member functionality is provided in Appendix 1.

**Q7: Where can I find RITS availability information and SLAs?**

A7: Please refer to the Session Times tab on the RITS Information Facility website (<http://www.rba.gov.au/rits/info/>) for current RITS availability times. Please note that when the LVSS starts there will be a new RITS overnight session for Members to monitor their FSI lodgements.

Other relevant documentation includes an [Overview of Governance Arrangements](#) – (available under the Current Projects tab) and a [Summary of RITS Business Continuity Arrangements](#) (available under the About RITS tab).

**Q8: Could the RBA send through the appropriate AIF messages to enable the testing of end to end AIF message flows?**

A8: End to end testing is possible using the RITS pre-Production environment. The full suite of AIF messages is available in this environment. This includes unsolicited advices (e.g. pre- and post-settlement advices), commands (e.g. change ESA status request) and responses (e.g. change ESA status response) and ESA statements. Banks may already be setup to receive many of these AIF messages and may need to select to receive them for LVSS transactions if they establish new branches/cash accounts for LVSS testing.

**Q9: We notice you have made some changes to RITS. How is the transition from ESA to FSI proposed to be handled? Will information for ESA and LVSS be shown in a single view or will treasury need to access two RITS views to get a total picture of their obligations during the migration period?**

A9: The total (net) of FSIs to be settled across an ESA at 9am will be shown on the same RITS screen that is presently used. Some sample screens are provided in the embedded document below – these will be in our next RITS release later this year. Other RITS screens will provide more detailed underlying information.



Adobe Acrobat  
Document

**Q10: When BECS migrates to settlement via FSIs, for next day settlement, how many AIF post-settlement advices will we receive at 9.00am?**

A10: While you will have a single settlement obligation for the 9am Batch that comprises your remaining exchange summary obligations and the BECS FSIs, all of the individual FSIs will be on the RITS Queue, and once settlement has occurred, you will receive a post-settlement advice for each FSI, as well as the existing post-settlement advice for the exchange summary component of the 9am settlement. The number of advices that you receive will vary depending on the number of exchanges you participate in.

**Q11: What is the benefit of using different RITS branches for each separate payment service?**

A11: All of the transactions for a branch are posted to the cash account connected to that branch. The cash account is shown in the MT950 ESA Statement. So using different branches, and therefore cash accounts, enables you to have your BECS and APCS (for example) settlements posted to different internal bank accounts that you may have. The cash accounts are also used to identify transactions in pre- and post-settlement advices and in the end of day Cashlist Report.

In addition, for AIF users, pre- and post-settlement advices are selected at the branch level. If you wish to receive advices for some payment services, but not for all, you will need to use different branches so that you can differentially select.

**Q12: What is the benefit of using different RITS branches for my BECS credit items branch and my BECS debit items branch?**

A12: By using different cash accounts, you will be able to set different override ESA statuses.

By using separate branches/cash accounts you can set different ESA status overrides on your credit items branch (where you will have created the FSI if you are the payer) and your debit items branch (where your counterparty will have created the FSI if you are the payer).

Where you send a file of direct entry credits (or predominantly credits) to a counterparty, you will create and send the FSI to RITS. This FSI will be posted to your BECS credit items branch and you will be the payer. Since you created the FSI and are the payer, RITS will use the ESA status in the FSI. If you don't set one in the FSI, you might wish to set an override for that branch so one is applied on entry to the RITS Queue.

If one of your counterparties creates an FSI for a direct entry file that was predominantly debit items, they will send the FSI to RITS, but you will be the payer. RITS will automatically give the FSI an ESA status of Deferred (as the payer was not the entity that created the FSI). You may wish to set an override of Priority to ensure that the transaction reaches the Queue ready for settlement.

**Q13: What will the RBA send to banks in terms of AIF Post Settlement Advices when a zero dollar transaction is posted to the ESA? If required, could the RBA configure the Post Settlement Advice to 'off' for zero dollar transactions?**

A13: A zero dollar transaction is a valid transaction in RITS. As such it can be 'posted' and post settlement advices will be produced. This is the same for some banks' SWIFT PDS transactions. RITS does not have the capability to switch off these advices based on amount.

## 7. Testing Arrangements

**Q1: What is the scope of the testing required by the RBA? What is the primary objective of the testing? What outcomes are expected? Have success criteria been developed?**

A1: Please note that, at this stage, our response to this question is general. The test strategy and test planning process covering individual participants and the industry is still being formulated – these will be developed in consultation with relevant stakeholders. In broad terms we would expect preliminary testing (required to be completed before end 2011) to encompass the following:

- The sending of FSIs and FRIs to RITS for each of the clearing systems that you participate in.
- Confirming that Responses and Advices are able to be received and processed by your systems (including the mandatory ones and the ones you elect to receive).
- Testing new RITS functionality (enquiries/reports, multilateral settlement processes) on the RITS Pre-Production environment.

The main objectives of the testing will be to:

- prove that you can create and send valid LVSS messages;
- prove that you can receive selected responses and advices (mandatory as well as the chosen optional ones); and
- confirm your RITS settings (overrides, branches, etc).

**Q2: Would it be adequate to a) create mock up files and 'eyeball' file format and content; or b) do we need to have back end systems process files end to end? Do we need to simulate the 'to be' end-to-end business process?**

A2: It would be acceptable to create mock-up FSIs/FRIs (initially) and for these to be sent to our RITS Pre-Production environment for validation and RITS processing. In the later stages of testing, we would expect these to be created and sent from your test back-end systems. The same expectations would apply to responses and advices.

**Q3: Will the RBA be able to simulate being a Tier 1 counterparty, removing the need for synchronising with another Tier 1 bank?**

A3: We will be able to act as your test counterparty, particularly in the initial stages of testing.

**Q4: Does the RBA have a Pre-Production environment set up for industry testing of LVSS messages?**

A4: Yes, we have implemented RITS V7.0 to our Pre-Production (Test) environment. This version facilitates the testing of LVSS messages (instructions, responses and advices) and is now available for use by Members. A copy of the advice sent to RITS Members on 29 April 2011 is included in Appendix B.

RITS V8.0 is scheduled for implementation to the Pre-Production environment in Sep/Oct 2011 and this will provide the remaining LVSS functionality which is mostly RITS related (9am settlement, overnight access and clearing interest).

**Q5: Can the RBA confirm high level milestones and timings for each Clearing Stream (i.e. priority and order for each Clearing Stream to move to Intraday Settlement and likely dates)?**

A5: The only set milestone at this stage is for each 9am settlement participant to complete LVSS message testing by the end of 2011. The timings for the production migration of each clearing system are yet to be finalised. The scope of this project is **not** intraday settlement. The project focuses on changing the way settlement advices are submitted to the RBA. We are not changing the timing of the 9am settlement, although system design considerations should probably cater for this in the future.

## 8. Reconciliation

**Q1: Does the RBA have any guidelines on how reconciliation should be progressed between the banks?**

A1: The RBA suggests the following type of approach be considered:

- To initially concentrate on your own internal reconciliation processes.
- To determine whether your reconciliation will be performed manually or automatically (or a combination thereof).
- If a manual approach is adopted, to ensure that each internal payments application that sends/receives clearings for each clearing system has the ability to produce reports (by counterparty) of the values sent and received, including totals. This internal reporting can then be reconciled against the information provided by RITS. We will have a number of menu enquiry functions to summarise inward and outward clearings by counterparty by payment service. The RITS screen filters will cater for enquiries both before and after settlement.
- If an automated approach is adopted, to make sure that the File Settlement Advices from RITS match up to what you have sent and received for all your clearings – this is for reconciliation prior to settlement. After settlement, you can use the File Settlement Responses. To further assist in this regard, there will be a number of RITS enquiry screens where information or differences can be obtained or investigated. These would be followed up directly between yourselves and the counterparty.

Having separate cash accounts in RITS (linked to your own internal bank accounts) for each payment service is also likely to assist in highlighting any reconciliation differences.

**Q2: Will the RBA or APCA confirm a best practice approach in regards to managing settlement value differences directly between members?**

A2: Yes, this will primarily be an APCA process. Rule changes to accommodate the LVSS are expected to be provided to the industry around August 2011. In essence, the thrust of the existing arrangements where members contact each other to resolve differences will remain. The LVSS response and advice message and new RITS enquiry functions will assist with the reconciliation process.

**Q3: Will FI's be able to access all FSI's sent to the RBA for possible internal reconciliation purposes?**

A3: Yes, RITS will have all details of FSIs lodged by both yourselves and your counterparties. There will be various enquiry screens where this information can be accessed, and full details are contained in the optional LVSS advices and responses.



## 9. Business Continuity Processes

**Q1: Will a new Business Continuity Process need to be designed and will this process need to be tested as part of 2011 testing?**

A1: The flow of files between the RBA and banks will utilise the Telstra COIN or SWIFT's FileAct service. As is the case now with the RBA and the majority of participants, there are dual sites and procedures in place to route file traffic via the other site if the need arises. These file transfer arrangements have already been tested by many participants in the context of the Low Value Clearing Service and this same network infrastructure is intended to be used. The RBA is also looking at other possible arrangements for the lodgement of FSIs in the event of a contingency and we will communicate these once details become available.

**Q2: What are the LVSS and settlement processing BCP requirements? Are there enhanced requirements for DR?**

A2: The RBA is working on issuing BCP guidelines for Members. We do not believe there will be any enhanced DR requirements.

**Q3: If there is a major incident, any restart poses risks that will need to be managed to ensure that the automated system does not fire off duplicate transactions causing duplicate settlements to occur. How can banks inform their host systems not to send duplicates on restart? How would banks deal with reconciliation once they go to a manual fall back?**

A3: Although circumstances vary, the main protection we see is the use of the same TRN when manually entering transactions. RITS will reject anything that subsequently arrives (e.g. when systems restart) if a transaction has the same TRN assigned. In terms of reconciliation, it is likely that RITS functionality would have to be used instead of the automated messages (in practice you will have the same information in RITS).

## APPENDIX 1 SUMMARY OF RITS MEMBER FUNCTION CHANGES

RITS function	Description of change
<b>New LVSS functions</b>	
LVSS Multilateral Position Summary	Allows Members to view multilateral net position of LVSS transactions and details of any cash account limit failures. View ESA Balance, ESA Sub-Limit and ESA Active Balance
LVSS Bilateral Position Summary	Provides Members with a summary of their LVSS Transactions by payment service and by other bank. Shows figures for Member as Originator separately from Member as Counterparty.
LVSS Transaction Enquiry	Reports on individual LVSS transactions, including Clearing Interest transactions, for the Member, including warehoused FSIs.  A details page displays content of all FSI fields.
LVSS Clearing Interest Enquiry	Allows Members to view details of the multiple FSIs on which the Clearing Interest transaction was calculated.
LVSS File Enquiry	Allows Members to view File Settlement Instructions (FSIs), File Recall Instructions (FRIs), and LVSS Advices and Responses
Bulk LVSS Settlement Method Management	Allows Members to change the LVSS Settlement Method of many LVSS transactions in one action. LVSS Settlement Method can be changed for payments on the System Queue and/or new transactions entering the system.
<b>Changes to existing functions</b>	
ESA Position	Existing ESA Position function altered to reflect the Member's obligations in a currently testing Multilateral Run in the location where 9am Batch obligations are currently shown
Settled Payments	<ul style="list-style-type: none"> <li>• LVSS transactions, including Clearing Interest transactions, will display</li> <li>• New Source filter value allows LVSS to be selected</li> <li>• New Payment Service filter field for LVSS (for clearing systems e.g. APCS, BECN, CECS, etc)</li> </ul>
Transaction Enquiry	<ul style="list-style-type: none"> <li>• LVSS transactions, including Clearing Interest transactions, will display</li> <li>• New Source filter value allows LVSS to be selected</li> <li>• New Payment Service filter field for LVSS (for clearing systems e.g. APCS, BECN, CECS, etc)</li> </ul>
Queued Payments Management – Cash Account Status / Recall Cash Transfers	<ul style="list-style-type: none"> <li>• LVSS transactions, including Clearing Interest transactions, will display</li> <li>• New Source filter value allows LVSS to be selected</li> <li>• Clearing Interest transactions will display</li> </ul>

<b>RITS function</b>	<b>Description of change</b>
Queued Payments Management – ESA/Credit Status Queue Management (renamed to Queued Payments Management – ESA/Credit Status/LVSS Settle Method)	<ul style="list-style-type: none"> <li>• LVSS transactions, including Clearing Interest transactions, will display</li> <li>• New Source filter value allows LVSS transactions to be selected</li> <li>• New Payment Service filter field for LVSS (for clearing systems e.g. APCS, BECN, CECS, etc)</li> <li>• Button for access to LVSS Multilateral Position Summary (a new function; see above)</li> <li>• New list screen columns display old and new LVSS Settlement Method to allow users to change the LVSS Settlement Method for FSIs on the System Queue</li> <li>• Indicator to show if FSI is locked in a Multilateral Run</li> <li>• Details screen for an LVSS transaction includes some new LVSS details</li> </ul>
Override ESA/Credit Status (renamed to Override ESA/Credit Status/LVSS Settle Method)	Now also allows user to set an override LVSS Settle Method
Targeted Bilateral Offset – Transaction Selection	New Source filter value allows certain LVSS transactions to be selected for Targeted Bilateral Offset
Unsolicited Advices	LVSS Message Selection screen allows specific LVSS advices and responses to be selected
User Privileges	(User Roles screen) New roles added relevant to LVSS
Queued Payments Management ESA/Credit Enquiry Report	<ul style="list-style-type: none"> <li>• LVSS transactions, including Clearing Interest transactions, will display</li> <li>• New Source filter value allows LVSS to be selected</li> <li>• New Payment Service filter field for LVSS (for clearing systems e.g. APCS, BECN, CECS, etc)</li> </ul>
Settled Payments Enquiry Report	<ul style="list-style-type: none"> <li>• LVSS transactions, including Clearing Interest transactions, will display</li> <li>• New Source filter value allows LVSS to be selected</li> <li>• New Payment Service filter field for LVSS (for clearing systems e.g. APCS, BECN, CECS, etc)</li> </ul>
Transaction Enquiry Report	<ul style="list-style-type: none"> <li>• LVSS transactions, including Clearing Interest transactions, will display</li> <li>• New Source filter value allows LVSS to be selected</li> <li>• New Payment Service filter field for LVSS (for clearing systems e.g. APCS, BECN, CECS, etc)</li> </ul>

## **APPENDIX 2 - ADVICE OF RITS V7.0 CHANGES TO MEMBERS**

Changes to RITS to support the Low Value Settlement Service (LVSS), which were introduced into the Pre-Production Environment on 31 March, will be implemented in the Production Environment on 30 April.

### **NO ACTION IS REQUIRED BY MEMBERS AT THIS TIME**

These changes will not be used in Production until the commencement of the industry migration to the LVSS in 2012. However, you may notice some small changes to your existing screens; these are summarised below. Full details of the LVSS changes, and information for affected members on administrative arrangements, will be sent out in due course.

More information on the LVSS initiative can be found on the Projects page of the RITS Information Facility: [www.rba.gov.au/rits/info](http://www.rba.gov.au/rits/info)

### Summary of changes to existing RITS screens for LVSS

#### **RITS Home Page**

A new box at the bottom of the RITS Home Page "LVSS Multilateral Testing Schedule" displays the standard start and end times for Multilateral Runs. Initially, this will be blank as no runs have been scheduled.

#### **Member menu and Member Reports list**

Some new LVSS items have been included in the ESA Management tab of the member menu, and in the list of available member reports.

#### **Queued Payments Management - ESA/Credit Status (and Report version)**

This function has been renamed Queued Payments Management - ESA/Credit Status/LVSS Settle Method.

A new source has been included in the Source filter - "L" for LVSS. If it is selected, a subsidiary filter field "Payment Service" becomes available.

A new column (labelled "LVSM") displays the LVSS Settlement Method (not applicable to the Report version), and allows for it to be amended by members (subject to appropriate permissions). This will be blank for non-LVSS transactions.

A new column (labelled "MR") will display Y when a transaction has been included in a Multilateral Run, and is otherwise blank (this is not applicable to the Reports version).

The existing Evening Flag column has been renamed Ev FL.

The Post 9AM column has been removed. The Session filter in Advanced filters can be used to filter on Pre-9am/Post-9am (not applicable to the Report version).

In the Report version, a new LVSS Settle Method filter has been included.

#### **Settled Payments Enquiry (and Report version)**

A new source filter of L for LVSS has been added. If it is selected, a subsidiary filter field "Payment Service" becomes available.

The "Offset" column heading has been renamed "Method" (not applicable to the Report version). It will show values of A for Auto-offset, T for TBO and M for LVSS Multilateral.

### **Transaction Enquiry and Transaction Enquiry Report**

A new source filter of L for LVSS has been added. If it is selected, a subsidiary filter field "Payment Service" becomes available.

The transaction type "LVSS" has been added to the Tran Type filter drop down list (not applicable to the Report version).

### **Forward Dated Payments Enquiry**

Two new columns have been included in the list screen of this function – "Trans Type" (used for all transaction types) and "Payment Service" (only used for LVSS transactions).

### **Override ESA/Credit Status**

This function has been renamed Override ESA/Credit Status/LVSS Settle Method

New columns have been added to permit members to view and set the override LVSS Settlement Method.

### **Queue Management - Cash Account Status/Recall Cash Transfers (and Report version)**

A new source has been included in the Source filter – "L" for LVSS. If it is selected, a subsidiary filter field "Payment Service" becomes available.

The transaction type "LVSS" has been added to the Advanced Tran Type filter drop down list (not applicable to the Report version).

### **Unsolicited Advice Selection**

A new button ("LVSS Messages") at the bottom of the existing Unsolicited Advices Selection page provides access to the new function LVSS Message Selection.